

**MIDDLEBURY TOWNSHIP
(SHIAWASSEE COUNTY)**

FINANCIAL STATEMENTS

MARCH 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Middlebury Township	County Shiawassee
Fiscal Year End 03/31/2006	Opinion Date May 18, 2006	Date Audit Report Submitted to State <i>June 14, 2006</i>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

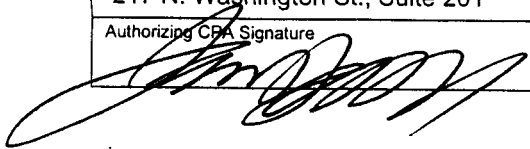
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Demis and Wenzlick, PC		Telephone Number 989-723-8227	
Street Address 217 N. Washington St., Suite 201		City Owosso	State MI
		Zip 48867	
Authorizing CPA Signature 		Printed Name James Demis, Jr., C.P.A.	License Number 110 100 8874

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Township of Middlebury
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of Middlebury Township, Michigan as of and for the year ended March 31, 2006. These general-purpose financial statements are the responsibility of Middlebury Township, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Middlebury Township, Michigan, as of March 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Middlebury Township. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Our report of comments and recommendations has been submitted under date of May 18, 2006.

Dennis and Wengert, PC

Certified Public Accountants

Owosso, Michigan
May 18, 2006

MIDDLEBURY TOWNSHIP
COMBINED BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS
MARCH 31, 2006

	GOV'T FUNDS GENERAL FUND	SPECIAL REVENUE FUNDS CEMETERY FUND	FIDUCIARY FUNDS TRUST & AGENCY FUNDS	GENERAL FIXED ASSETS FUND	GENERAL LONG- TERM DEBT FUND
ASSETS:					
Cash	\$ 89,449	\$	\$5,009	\$	\$
Cert. Of Deposit	63,505	20,819			
Taxes Rec.	3,619				
Due from Other Funds	5,009				
Fixed Assets				152,114	
TOTAL ASSETS	<u>\$161,582</u>	<u>\$20,819</u>	<u>\$5,009</u>	<u>\$152,114</u>	<u>\$ -0-</u>
LIABILITIES:					
Due to Other Funds	\$	\$	\$5,009	\$	\$
Accts. Pay.	2,579				
Payroll Taxes Payable	2,143				
TOTAL LIAB.	<u>\$ 4,722</u>	<u>\$ -0-</u>	<u>\$5,009</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance	<u>156,860</u>	<u>20,819</u>	<u>-0-</u>	<u>152,114</u>	<u>-0-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$161,582</u>	<u>\$20,819</u>	<u>\$5,009</u>	<u>\$152,114</u>	<u>\$ -0-</u>

The accompanying notes are an integral
part of the financial statements.

MIDDLEBURY TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2006

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Taxes	\$ 49,346	\$
Intergovernmental	102,940	
Miscellaneous	9,701	
Interest Income	<u>3,425</u>	<u>819</u>
TOTAL REVENUES	\$165,412	\$ 819
EXPENDITURES:		
Township Board	\$ 15,216	\$
Supervisor	10,600	
Clerk	10,113	
Board of Review	575	
Treasurer	10,938	
Township Hall	1,670	
Assessor	7,888	
Planning	1,485	
Fire & Emergency	7,940	
Cemetery	14,371	
Elections	518	
Payroll Taxes	2,944	
Roads	57,398	
Street Lights	2,344	
Insurance	4,313	
Drains at large	184	
Legal & Accounting	2,866	
Library Board	330	
Community Services	2,000	
Land Acquisitions	2,958	
Recreation	<u>1,405</u>	
TOTAL EXPENDITURES	\$158,056	\$ -0-
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$ 7,356	\$ 819
OTHER FINANCING SOURCES (USES) OF FUNDS:		
Transfers In	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 7,356	\$ 819
Fund Balance at 3-31-05	<u>149,504</u>	<u>20,000</u>
FUND BALANCE AT 3-31-06	<u>\$156,860</u>	<u>\$20,819</u>

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, AND COMPARISON OF BUDGET TO ACTUAL
YEAR ENDED MARCH 31, 2006

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
REVENUES:						
Taxes	\$ 62,000	\$ 49,346	\$ 12,654	\$ -0-	\$	\$
Intergov't.	90,000	102,940	(12,940)	-0-		
Misc.	7,300	9,701	(2,401)	-0-		
Interest Inc.	<u>750</u>	<u>3,425</u>	<u>(2,675)</u>	<u>-0-</u>	<u>819</u>	<u>(819)</u>
TOTAL REV.	\$160,050	\$165,412	\$ (5,362)	\$ -0-	\$ 819	\$ (819)
EXPENDITURES:						
Twp. Board	\$ 15,250	\$ 15,216	\$ 34	\$	\$	\$
Supervisor	10,600	10,600	-0-			
Clerk	13,000	10,113	2,887			
Bd. of Review	1,200	575	625			
Treasurer	13,000	10,938	2,062			
Twp. Hall	3,000	1,670	1,330			
Assessor	8,000	7,888	112			
Planning	1,750	1,485	265			
Fire & Emerg.	8,000	7,940	60			
Cemetery	14,800	14,371	429			
Elections	4,000	518	3,482			
Library Board	700	330	370			
Comm. Services	3,000	2,000	1,000			
Land Acquisit.	3,000	2,958	42			
Payroll Taxes	4,000	2,944	1,056			
Roads	65,000	57,398	7,602			
Street Lights	3,500	2,344	1,156			
Contingencies	-0-	-0-	-0-			
Insurance	6,000	4,313	1,687			
Drains at Large	2,200	184	2,016			
Legal & Acct.	5,500	2,866	2,634			
Recreation	<u>2,000</u>	<u>1,405</u>	<u>595</u>			
TOTAL EXPEND.	<u>\$187,500</u>	<u>\$158,056</u>	<u>\$ 29,444</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES \$(27,450)	\$ 7,356	\$ (34,806)	\$ -0-	\$ 819	\$ (819)	
Transfers In	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES \$(27,450)	\$ 7,356	\$ (34,806)	\$ -0-	\$ 819	\$ (819)	
Fund Balance at 3-31-05		<u>149,504</u>			<u>20,000</u>	
FUND BALANCE AT 3-31-06		<u>\$156,860</u>			<u>\$20,819</u>	

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED MARCH 31, 2006

CURRENT TAX COLLECTION FUND

	BALANCE <u>4-1-05</u>	ADDITIONS	DEDUCTIONS	BALANCE <u>3-31-06</u>
ASSETS:				
Cash	\$ <u>5,027</u>	\$ <u>1,066,004</u>	\$ <u>1,066,022</u>	\$ <u>5,009</u>
LIABILITIES:				
Due to Other Funds	\$ 5,027	\$	\$ 18	\$ 5,009
Due to Other Taxing Entities	<u>-0-</u> \$ <u>5,027</u>	<u>1,066,004</u> \$ <u>1,066,004</u>	<u>1,066,004</u> \$ <u>1,066,022</u>	<u>-0-</u> \$ <u>5,009</u>

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Middlebury Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential components units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no component units included in this report.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories; Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

C. BASIS OF ACCOUNTING (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund liability is incurred.

Those revenue susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until receivable in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenue arise when a potential revenue does not meet the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

D. BUDGETS (CONTINUED)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to investment in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are stated at cost or amortized cost, except for investments in the deferred compensation agency fund which are reported at market value.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

G. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchase fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

G. FIXED ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

H. COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

I. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

J. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

NOTE 3. - CASH AND CERTIFICATES OF DEPOSIT

The township's deposits consisted of various interest bearing savings and checking accounts and certificates of deposit. Michigan law does not require collateralization of government deposits. Therefore, only the identified amounts were insured by the Federal Deposit Insurance Corporation.

<u>INSTITUTION</u>	<u>AMOUNT</u>	<u>FDIC OR OTHER GOV'T INSURED</u>	<u>UNINSURED</u>
<u>A</u>			
Checking	\$ 94,458	\$ 94,458	\$ -0-
Certificate of			
Deposit	<u>84,324</u>	<u>84,324</u>	<u>-0-</u>
	<u>\$178,782</u>	<u>\$178,782</u>	<u>\$ -0-</u>

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 4. INTERFUND

At March 31, 2006, individual interfund receivable and payable balances were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 5,009	\$ -0-
Tax Fund	<u>-0-</u>	<u>5,009</u>
	\$ <u>5,009</u>	\$ <u>5,009</u>

NOTE 5. PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

NOTE 6. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>BALANCE 3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 3-31-06</u>
Land	\$ 18,988	\$ 7,300	\$ -0-	\$ 26,288
Buildings	6,589			6,589
Ambulance and Fire Truck	81,167			81,167
Voting Machines	10,826	5,600		16,426
Machinery, Equip., Furn. & Fixt.	<u>21,344</u>	<u>300</u>		<u>21,644</u>
	<u>\$138,914</u>	<u>\$13,200</u>	\$ <u>-0-</u>	<u>\$152,144</u>

On July 27, 2005, the Township acquired a parcel of land located at the corner of M-21 and Warren Road through a quick claim deed. The value of the property was determined to be \$5,000 plus cost of \$2,300 to clear property of abandoned building.

The Township also acquired a new voting machine valued at \$5,600 from the State of Michigan at no cost to the Township.

MIDDLEBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 7. LONG-TERM DEBT

On December 18, 2002, the township entered into an installment agreement along with the municipalities of the Village of Ovid and the Township of Ovid, under P.A. 1937, No. 215, as amended by P.A. 1980 No. 366 (MCL 128.2) for the purpose of additional land for the Maple Grove Cemetery Authority.

Payments for the land contract are to be shared by Middlebury Township, the Village of Ovid and the Township of Ovid based on a per capita rate of \$2.93 at the time a payment is due, for a period of 3 years, including the required accrued interest. The interest rate for this agreement is at 8.0%.

As of March 31, 2006, the long-term debt has been paid in full.

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

MIDDLEBURY TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

Cash	\$ 89,449
Certificate of Deposit	63,505
Taxes Receivable	3,619
Due from Other Funds	<u>5,009</u>
	<u>\$161,582</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 2,579
Payroll Taxes Payable	2,143
	<u>156,860</u>
Fund Balance	<u>\$161,582</u>

The accompanying notes are an integral
part of the financial statements.

MIDDLEBURY TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
REVENUES:			
Taxes:			
Current Property Taxes	\$	\$ 37,928	\$
Collection Fee		<u>11,418</u>	
TOTAL TAXES	\$ 62,000	\$ 49,346	\$ 12,654
Intergovernmental:			
State of Michigan:			
Sales Tax	\$	\$102,940	\$
TOTAL INTERGOVERNMENTAL	\$ 90,000	\$102,940	\$ (12,940)
Miscellaneous Receipts:			
Dog Lic., Rent, Misc. Inc.	\$	\$ 7,234	\$
Cable TV		2,467	
Interest Income		<u>3,425</u>	
TOTAL MISCELLANEOUS	\$ 8,050	\$ 13,126	\$ (5,076)
TOTAL REVENUES	<u>\$160,050</u>	<u>\$165,412</u>	<u>\$ (5,362)</u>
EXPENDITURES:			
General Government:			
Township Board:			
Salaries-Trustees	\$	\$ 7,185	\$
Office Supplies &			
Misc.		<u>8,031</u>	
	\$ 15,250	\$ 15,216	\$ 34
Supervisor:			
Salaries	\$	\$ 9,875	\$
Office Supplies &			
Misc.		<u>725</u>	
	\$ 10,600	\$ 10,600	\$ -0-

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>
EXPENDITURES:			
General Government:			
Clerk:			
Salaries	\$	\$ 8,800	\$
Office Supplies & Misc.	<u>13,000</u>	<u>1,313</u> \$ 10,113	<u>2,887</u>
Board of Review:			
Salaries	\$	\$ 423	\$
Office Supplies & Misc.	<u>1,200</u>	<u>152</u> \$ 575	<u>625</u>
Treasurer:			
Salaries	\$	\$ 8,750	\$
Office Supplies & Misc.	<u>13,000</u>	<u>2,188</u> \$ 10,938	<u>2,062</u>
Township Hall:			
Repairs & Maint.	\$	\$ 789	\$
Lights	<u>3,000</u>	<u>881</u> \$ 1,670	<u>1,330</u>
Assessor:			
Salary	\$	\$ 7,000	\$
Office Supplies & Misc.	<u>8,000</u>	<u>888</u> \$ 7,888	<u>112</u>
Planning:			
Salaries	\$	\$ 671	\$
Office Supplies & Misc.	<u>1,750</u>	<u>814</u> \$ 1,485	<u>265</u>
Fire:			
Fire Calls	\$	\$ 7,455	\$
Board Mtg. - Salary	<u>8,000</u>	<u>485</u> \$ 7,940	<u>60</u>

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
General Government:			
Cemetery:			
Salary	\$	\$ 5,074	\$
Supplies & Misc.		4,341	
Repairs & Maint.		593	
Capital Outlay		<u>4,363</u>	
	\$ 14,800	\$ 14,371	\$ 429
Elections:			
Salaries	\$	\$ 389	\$
Office Supplies & Misc.		<u>129</u>	
	\$ 4,000	\$ 518	\$ 3,482
Library Board:			
Salaries	\$	\$ 330	\$
	\$ 700	\$ 330	\$ 370
Community Services:			
Contracted Services	\$	\$ 2,000	\$
	\$ 3,000	\$ 2,000	\$ 1,000
Land Acquisition:			
Supplies & Misc.	\$	\$ 2,958	\$
	\$ 3,000	\$ 2,958	\$ 42
General Government:			
Payroll Taxes	\$ 4,000	\$ 2,944	\$ 1,056
Roads	65,000	57,398	7,602
Street Lights	3,500	2,344	1,156
Contingencies	-0-	-0-	-0-
Insurance	6,000	4,313	1,687
Drains at Large	2,200	184	2,016
Legal & Accounting	5,500	2,866	2,634
Recreation	<u>2,000</u>	<u>1,405</u>	<u>595</u>
	\$ 88,200	\$ 71,454	\$ 16,746
TOTAL EXPENDITURES	\$187,500	\$158,056	\$ 29,444
Excess of Revenues Over (Under) Expenditures	\$ (27,450)	\$ 7,356	\$ (34,806)

The accompanying notes are an integral part of the financial statements.

MIDDLEBURY TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
OTHER SOURCES (USES) OF FUNDS:			
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues Over (under) Expenditures and Other Uses	<u>\$ (27,450)</u>	\$ 7,356	<u>\$ (34,806)</u>
Fund Balance at Beginning of Year		<u>149,504</u>	
FUND BALANCE AT END OF YEAR		<u>\$156,860</u>	

The accompanying notes are an integral
part of the financial statements.

MIDDLEBURY TOWNSHIP
CEMETERY FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

Cash	\$ -0-
Certificate of Deposit	<u>20,819</u>
	<u>\$20,819</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$20,819</u>
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The accompanying notes are an integral
part of the financial statements.

MIDDLEBURY TOWNSHIP
CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
REVENUES:			
Interest Income	\$ -0-	\$ 819	\$ (819)
Cemetery Lot Sales	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL REVENUES	<u>\$ -0-</u>	\$ 819	\$ <u>(819)</u>
Fund Balance at March 31, 2005		<u>20,000</u>	
FUND BALANCE AT MARCH 31, 2006		<u>\$20,819</u>	

The accompanying notes are an integral
part of the financial statements.

FIDUCIARY FUNDS

CURRENT TAX COLLECTION FUND

Current Tax Collection - To account for the collection and payment to the local units of government, property taxes and fees billed and collected.

MIDDLEBURY TOWNSHIP
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEAR ENDED MARCH 31, 2006

CASH RECEIPTS:

2005 Roll Property Tax Collections For:		
Clinton County	\$121,711	
Shiawassee County	448,061	
Owosso Schools	2,666	
Ovid-Elsie Schools	333,971	
Library	27,887	
Middlebury Township	48,353	
Ovid - Middlebury Amb. & Fire	<u>79,996</u>	\$1,062,645

Other Receipts:

Delinquent Taxes & Fees	\$ -0-	
Dog Licenses	54	
Interest & Penalties	316	
Overpayments	<u>2,989</u>	<u>3,359</u>
TOTAL CASH RECEIPTS		\$1,066,004

Cash Disbursements:

Clinton County	\$121,711	
Shiawassee County	448,061	
Owosso School Dist.	2,666	
Ovid-Elsie School Dist.	333,971	
Ovid-Middlebury - Amb. & Fire	79,996	
Library	27,887	
Middlebury Township:		
General Fund	48,353	
Refunds	<u>3,377</u>	<u>1,066,022</u>

EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS		\$ (18)
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Cash Balances:

Cash Balance at March 31, 2005	<u>5,027</u>
CASH BALANCE AT MARCH 31, 2006	<u>\$ 5,009</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used
in proprietary fund operations or
accounted for in Trust Funds.

MIDDLEBURY TOWNSHIP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2006

GENERAL FIXED ASSETS:

Land	\$ 26,288
Buildings	6,589
Ambulance and Fire Trucks	
(Township Share)	81,167
Voting Machines	16,426
Machinery, Equipment, Furniture	
and Fixtures	<u>21,644</u>
	<u>\$152,114</u>
Investment in General Fixed Assets	<u>\$152,114</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL LONG-TERM DEBT

To account for the long-term contract
payable for additional land for cemetery
indebtedness.

MIDDLEBURY TOWNSHIP
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BALANCE SHEET
MARCH 31, 2006

ASSETS

Amount to be Provided for the
Retirement of Contracts

\$ -0-

LIABILITIES

Note Payable - Land Contract

\$ -0-

The accompanying notes are an integral
part of the financial statements.

MIDDLEBURY TOWNSHIP
ANALYSIS OF CHANGE IN FUND BALANCE
GENERAL LONG-TERM DEBT
MARCH 31, 2006

	<u>BALANCE</u> <u>3-31-05</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>3-31-06</u>
Note Payable -				
Land Contract	\$ <u>4,362</u>	\$ <u>-0-</u>	\$ <u>4,362</u>	\$ <u>-0-</u>
	\$ <u>4,362</u>	\$ <u>-0-</u>	\$ <u>4,362</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Members of the Township Board
Township of Middlebury
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we discovered the following areas which required specific recommendation, as a result of the audit our firm perform on the financial statements of Middlebury Township for the year ended March 31, 2006.

There were no comments and recommendations.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township please contact us.

Demis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
May 18, 2006